

CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY



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Greetings and Happy New Year!

It has been an eventful new year with respect to Cal/EPA and its leadership role in environmental enforcement.

Climate change news dominates the headlines as each of us learn about the impacts of global warming and how we can respond to it in our daily lives, both at home and at work. Collectively, because of the leadership of our Governor and other state leaders, reducing climate change will continue to be a critical focus for California EPA and its Boards, Departments and Offices for years to come. No regulator or enforcement official, no matter how unrelated their work may seem, will be immune from having to respond to this issue as we go forward. Consequently, by understanding the issue better and integrating this new reality into how each of us does our work, we can continue California's leadership role in environmental protection.

Assembly Bill 32 (2006) (AB 32) is the California law mandating the development and implementation of rules that will reduce carbon emissions in California. Because cars are a major source of the problem, a critical part of the plan is to respond to auto emissions to meet the requirements of California law. Our efforts in this area have, on the whole, led to some excellent recent results – with one temporary setback.

On the positive side, in recent court battles involving California's landmark environmental efforts, federal judges have recognized the legal merits of California's right to regulate auto emissions. On the negative side, we have witnessed the U.S. EPA's stunning failure to allow California to carry out the will of its people to enforce those regulations. (http://gov.ca.gov/index.php?/press-release/8353/)

As we go forward, our team, with aggressive stakeholder interaction, will continue developing a comprehensive system to curb carbon emissions, including those from automobiles. You can review the process at the California Air Resources Board website (http://www.arb.ca.gov/cc/cc.htm).

So what does this all mean for environmental law enforcement? As enforcement officials know, any successful regulatory system must have a well designed enforcement component so as to discourage non-compliance and maintain a level playing field for businesses to compete fairly. System integrity demands that the regulated community view system development as a fair and inclusive process. Then, when the system is implemented, the regulated community can be confident that non-compliance will be dealt with swiftly and consistently. The key point is that players need predictability to enable them to focus on finding efficiency and innovation – without having to worry about those who might cheat the system to get a better bottom line.

January 16, 2008 Page 2

Fortunately we have a team of talented professionals who are hard at work building a strong enforcement system to implement these new rules. At the same time as these efforts unfold inside California, we are collaborating with our regional partners to address reductions in carbon produced by power plants outside California. Since much of our power comes from out of state sources, and since it is a requirement of California law under <u>AB 32</u> to address the out of state carbon production component, we must take steps to reduce those emissions as well.

That is why California is a member of the Western Climate Initiative (WCI) (http://www.westernclimateinitiative.org/). WCI and its partners cannot assume that an analogous comprehensive federal system to curb carbon emissions will emerge. Consequently, WCI and its members will build a regional system that will help us comply with California law and, at the same time, lead the way for a new national and international carbon emissions reduction system that has yet to effectively emerge.

Understanding how best to address climate change is not and will not be easy. There is much to learn, we will have setbacks and we have to overcome many hurdles to make progress. Still, by working together, wherever we stand, we can move farther and faster that ever before.

If you have any comments or suggestions, please contact <u>Diane Trujillo-Carrillo</u>. My intention at this point is to publish this Update on Enforcement every other month.

Matt Bogoshian

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